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Justice Dept. Wants Information Network on White-Collar Crime

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WASHINGTON, March 21 — The Justice Department has informed Congress that it wants to develop a computerized system through which thousands of police agencies can exchange information about white-collar crime.

The proposal to make the names of suspects, and possibly their associates, available to the nation's law-enforcement agencies was outlined in a letter March 13 from D. Lowell Jensen, Associate Attorney General, and was vigorously opposed by the chairman of a House Judiciary subcommittee.

Mr. Jensen's letter suggested that the information might be distributed by a special new network or by the network now operated by the Federal Bureau of Investigation.

Until now, virtually all information transmitted on the F.B.I.'s system to 64,000 Federal, state and local criminal justice agencies involved public record material, such as an arrest warrant or a person's arrest record. What is new about the current project is that it would allow the swift exchange of information that sometimes includes unverified rumors.

Plan Called Threat to Liberties

The letter was sent to Representative Don Edwards of California, who responded in a letter Tuesday to Mr. Jensen that the plan was a "radical departure" from Justice Department practice and would threaten "our fundamental constitutional liberties, including the right to privacy and the presumption of innocence."

Mr. Edwards, a Democrat who is chairman of the House Judiciary Committee's Subcommittee on Constitutional Rights, said the panel would soon hold hearings on the project.

In addition to holding hearings, Congress could conceivably pass legislation prohibiting such a system. But for the last two decades, because of

strongly conflicting views about what is appropriate and what is not, Congress has not agreed on a law regulating other aspects of the Justice Department's and F.B.I.'s handling of information.

Mr. Jensen said in his letter that the Justice Department believed the new system was necessary because white-collar crime was a "multibillion-dollar drain on the economy" and because "it is difficult to investigate, as is any crime that succeeds by fraud, stealth and coverup." White-collar crime includes embezzlement and fraud by a person in business, government or a profession in the course of his occupational activities.

He said exchanges of information about white-collar criminals were now attempted in accordance with various laws and regulation "but are accomplished only on an ad hoc, hit-or-miss basis, with none of the routine efficiency that is required for uncovering sophisticated offenses."

The project was first proposed by the department's Economic Crime Council, an organization whose membership includes the F.B.I., United States attorneys from several key states and the inspectors general of each of the major Federal agencies. Last October the project was endorsed by the national advisory panel to the National Crime Information Center, which is "the F.B.I.'s computer network."

The decision to move ahead with the white-collar crime project appears to conflict with a decision made last year by William H. Webster, Director of the bureau, about a somewhat similar plan.

In testimony to the Senate Judiciary Subcommittee on Security and Terrorism, Mr. Webster noted that the bureau network had historically been limited to public record information and said that if it contained intelligence and rumors it could "cause us a lot of mischief and undercut the enormous contribution that the N.C.I.C. is providing to state and local law enforcement throughout the country."

Eventual Adoption Predicted

But Mr. Jensen, in his letter disclosing the Justice Department's position and defending the sharing of intelligence information on white-collar crime, said that "if included in the N.C.I.C. system" it would not be the first to be drawn from other than public records.

He also said he was "confident the Justice Department plan will lead to the eventual adoption of system that is not only effective, but eminently reasonable."

Mr. Edwards said in his letter that he shared the department's concern about

white-collar crime, but he added, "There is of course an important distinction between the decision to pursue a problem vigorously and the choice of the means by which to do so."

Asserting that investigatory data such as "the suspicions, leads and observations of law-enforcement officers" had thus far been kept out of Justice Department information networks, Mr. Edwards asked Mr. Jensen to provide him with answers to eight specific questions.

Among them were exactly what information would be kept in the files on white-collar crime, who would have access to them and what provisions there would be for removing names. He also asked what standards would govern the entry of the name of an accused criminal into the files.

The Congressman noted that the bureau operated separate organized crime and counterintelligence files that presented far fewer legal problems because they could be examined only by agents of the bureau specializing in these areas of enforcement. "A central concern" about the current proposal, he said, was "the broad availability of the system."